

CC2023-05 FINANCIAL ADVISORY FOR THE DEPARTMENT OF FINANCE - PROPOSAL OPENING
DATE: 2/10/2023 AT 11:00AM

CC2033-05 FINANCIAL ADVISORY SERVICES FOR THE CITY OF TRENTON, DEPARTMENT OF FINANCE OPENING DATE 02/10/2023 AT 11:00AM FOR A PERIOD OF TWO (2) YEARS WITH AN OPTION TO EXTEND ONE (1) ADDITIONAL YEAR				
NUMBER OF RESPONDENTS:	4			
NAME OF BIDDER	GB ASSOCIATES, LLC	PHOENIX ADVISORS, LLC	NW FINANCIAL GROUP, LLC	ACACIA FINANCIAL GROUP, INC.
ADDRESS	24 BROADLAWN DRIVE	625 FARNSWORTH AVENUE	2 HUDSON PLACE - 3RD FL.	600 MIDLANTIC DRIVE, STE. 410N
CITY, STATE, ZIP	LIVINGSTON, NJ 07039	BORDENTOWN, NJ 08505	HOBOKEN, NJ 07030	MOUNT LAUREL, NJ 08054
CONTACT NAME	NEIL E. GROSSMAN	ANTONY P. INVERSO	DENNIS J. ENRIGHT, PRINCIPAL	KIM M. WHELAN
TELEPHONE	973-994-4214	609-291-0130	201-656-0115	856-234-2266
FAX	973-994-4042	609-291-9940	201-656-4905	
E-MAIL	neqgba@verizon.net	ainverso@muniadvisors.com	denright@nwfinancial.com info@nwfinancial.com	KWHELAN@ACACIAFIN.COM
STATEMENT OF OWNERSHIP DISCLOSURE	INCLUDED	INCLUDED	INCLUDED	INCLUDED
REQUIRED EVIDENCE EEO/AFFIRMATIVE ACTION REGULATIONS QUESTIONNAIRE	INCLUDED	INCLUDED	INCLUDED	INCLUDED
EQUAL EMPLOYMENT OPPORTUNITY EXHIBIT A	INCLUDED	INCLUDED	INCLUDED	INCLUDED
ACKNOWLEDGEMENT OF RECEIPT OF ADDENDA	INCLUDED	INCLUDED	INCLUDED	INCLUDED
NJ BUSINESS REGISTRATION CERTIFICATE	INCLUDED	INCLUDED	INCLUDED	INCLUDED
NON-COLLUSION AFFADAVIT	INCLUDED	INCLUDED	INCLUDED	INCLUDED
AMERICANS WITH DISABILITIES ACT OF 1990 LANGUAGE	INCLUDED	INCLUDED	INCLUDED	INCLUDED
ETHICS COMPLAINT DISCLOSURE	INCLUDED	INCLUDED	INCLUDED	INCLUDED
CERTIFICATION AND DISCLOSURE OF POLITICAL CONTRIBUTIONS	INCLUDED	INCLUDED	INCLUDED	INCLUDED
PROHIBITED RUSSIA-BELARUS ACTIVITIES & IRAN INVESTMENT ACTIVITIES	INCLUDED	INCLUDED	INCLUDED	INCLUDED
EIC	CERT#52163 EXP 1-15-2028	CERT#36711 EXP. 3-15-2026	CERT#45453 EXP. 9-15-2024	CERT.#11262 EXP. 06/15/2027
CITY OF TRENTON RESIDENT EMPLOYMENT	INCLUDED	INCLUDED	INCLUDED	INCLUDED
DEBARMENT FEDERAL GOVERNMENT CONTRACT	INCLUDED	INCLUDED	INCLUDED	INCLUDED
CERTIFICATE OF INSURANCE	REQUIRED FROM AWARDED VENDOR WITH SIGNED CONTRACTS	REQUIRED FROM AWARDED VENDOR WITH SIGNED CONTRACTS	REQUIRED FROM AWARDED VENDOR WITH SIGNED CONTRACTS	REQUIRED FROM AWARDED VENDOR WITH SIGNED CONTRACTS
REFERENCES	INCLUDED	N/A	INCLUDED	N/A
W-9	INCLUDED	N/A	INCLUDED	N/A
60-DAY EXTENSION COMPLIANCE	YES	YES	YES	YES
WILLING TO PROVIDE PRIORITY EMERGENCY SERVICES	YES	YES	YES	YES
SEE ATTACHED BREAK-DOWN OF PRICING	SEE ATTACHED	SEE ATTACHED	SEE ATTACHED	SEE ATTACHED
EXCEPTIONS (IF ANY)	NONE	NONE	NONE	NONE
FATAL FLAW	NONE	NONE	NONE	NONE

PRICING PROPOSAL FOR CC2023-05
(FINANCIAL ADVISORY SERVICES FOR THE DEPARTMENT OF FINANCE)
FOR GB ASSOCIATES LLC (ORIGINAL)

The City's RFP indicates that the financial advisory services will include all elements relating to the issuance of bonds and/or notes *and any other financial analyses as may be requested* during the year. However, we believe (from recent contracts) that it is also the intention of the City that, to the extent possible, all financial advisory services be funded from proceeds of debt issuances, as it has not wished to include the cost of financial advisory services in its operating budget. Our proposal will reflect this understanding.

It is, of course, very difficult (if not impossible) to gauge the level of services that might be required under the "other analyses" umbrella. However, we have a good idea of what will be involved, due to our intimate knowledge of the City's budget and other financial issues and pressures. This stems from our long history with the City, including the current year, which gives us unique insight into the City's needs and how we may best be able to help.

Therefore, we would propose the following compensation arrangement, which we believe addresses all of the City's needs and concerns:

- \$7,500 for each Note sale
- \$2,500 for each issuance through the NJIB (note that the separate Fund and Loan components will be considered a single issuance with just one fee applied)
- \$17,000 for each bond issue (NOTE: if multiple series' are sold at the same time, we would charge only one fee)
- 25 hours of non-debt-related services and analyses included with no additional charge

Note that, for any sale that involves an Official Statement, there is NO additional charge for our role in the development of the Official Statement; in addition to reviewing the entire document, we (with the City's assistance) develop the Appendix A for the document.

In terms of the services and analyses that the City might require that are NOT tied to a specific debt issuance, our hourly rate is \$200/hour. However, as noted above, we would include 25 hours of such services at no charge to the City. We would let the City know well in advance of our reaching that limit.

Note that our debt issuance fees are NOT tied to the size of an issue, as the financial advisor's role does not vary whether a debt issuance is \$5 million or \$50 million.

Last June, the City closed on a sale of Notes that totaled \$36,118,000. Our total fee (with no pass-throughs for out-of-pocket expenses) was \$7,500 (less than 0.4% of the par issued) AND we have provided approximately 25 hours of additional service in the last year at no cost to the City.

For the City's last bond issue (totaling \$25,624,000 in December 2020), our fee was approximately 0.65% of the bond issue and our services included development of the Official Statement. Many advisors (with fees tied to size of issuance) would have charged considerably more. In addition, there was a separate series of School Bonds sold with the General Improvement Bonds; some advisors would have deemed that a separate issuance and charged an additional fee. Finally, we do NOT charge for any out-of-pocket expenses (travel,

postage/delivery, fax/copying, etc.) that (for many advisors) are an additional cost of utilizing their services.

NOTE: We have never sought additional compensation from the City above what was included in our original proposal each year, even when the “non-debt-related” hours exceeded what was included in our proposal.

We are confident that our proposal will be the most cost-effective from the City’s perspective, and significantly lower than any financial advisor whose fee is tied to the amount of debt ... and even most cost-effective when the hours of additional services that are provided at no cost to the City are considered.



COMPENSATION

Phoenix Advisors' non-hourly compensation is all-inclusive – we do not charge for out-of-pocket expenses, fees for travel time or attendance at meetings without prior notification. We are always available to answer conceptual questions and discuss market conditions and strategies for potential projects. When you request specific services (per below), you will receive a separate engagement letter detailing compensation and the Scope of Services to be provided.

PROPOSED FEES FOR SERVICES (per transaction, except as otherwise indicated):

Bond Issuance: \$7,500 plus \$0.50 per \$1,000 issued

(For example, the fee for a \$20,000,000 bond issue = \$17,500.)

Note Issuance*: \$1,000 plus \$0.25 per \$1,000 issued

** An additional fee of \$2,000 applies when notes are sold with a Preliminary Official Statement.*

(For example, the fee for a \$20,000,000 note issue with a Preliminary Official Statement = \$8,000.)

Hourly rates for specialized consulting services not related to the issuance of debt, such as redevelopment advisory, water/sewer utility valuation, budget projections and other consulting projects, billable quarterly in arrears:

➤ Managing Director	\$195 per hour
➤ Associate/Analyst	\$115 per hour



FEES FOR ADDITIONAL SPECIALIZED SERVICES (per transaction, except as otherwise indicated):**

Continuing Disclosure Services:

- \$1,600 annual base fee for up to three (3) outstanding issues, plus:
 - \$100 for each additional issue with continuing disclosure obligations.
 - \$450 set-up charge per new issue, discounted to \$200 if Phoenix Advisors is Municipal Advisor on the transaction.
 - \$250 for each Event Notice filed under SEC Rule 15c2-12, waived if Phoenix Advisors is Municipal Advisor on the transaction.
- All fees are accumulated and invoiced annually.

Bank Loan Bond Issuance: All-inclusive fee of \$7,500

New Jersey Infrastructure Bank (NJIB) Financings: All-inclusive fee of \$3,500

Lease-Purchase Financings: All-inclusive fee of \$3,500

Energy Savings Improvement Program (ESIP) Financings: \$7,500 plus \$0.50 per \$1,000 issued
➤ minimum of \$13,500

Rating Agency Surveillance Presentation Hourly Rates

Redevelopment Advisory Hourly rates

Asset/Utility Valuation Hourly rates

Budget/Fiscal Consulting Hourly rates

** If necessary or requested.

COMPENSATION

For financial consulting/advisory services rendered in connection with the sale of bonds and notes, NW Financial proposes to be compensated based on the following schedule:

1. Notes:

For the issuance of notes, NW Financial proposes to be compensated \$1/note with a minimum of \$7,500 based upon the par amount. This amount shall be payable at the closing of the proposed note issuance. NW Financial will not invoice unless the bond issuance is finalized and closed.

2. Bonds:

For the issuance of bonds, NW Financial proposes to be compensated \$1/bond with a minimum of \$7,500 based upon the par amount. This amount shall be payable at the closing of the proposed bond issuance. NW Financial will not invoice unless the bond issuance is finalized and closed.

3. Continuing Disclosure Services:

NW Financial can provide at the Clients request, continuing disclosure services at the hourly rates noted below.

4. Consulting:

For financial consulting services not related to the issuance of bonds and notes, NW Financial proposes that compensation be based upon the hourly rates established below.

<u>Position</u>	<u>Hourly Rate (\$/hour)</u>
Principal	\$225
Managing Director	\$205
Senior Vice President	\$195
Vice President	\$190
Associate	\$185



Compensation Proposal.

Acacia Financial Group, Inc. proposes that the compensation for financial advisory services provided to the City be based on: (i) the par amount of the bonds or notes or (ii) on an hourly basis. Reasonable out-of-pocket expenses may be added to each compensation component. Acacia's proposed fee structures are described below:

1. Based on the Par Amount of the Issue:**Bonds**

For financial advisory services rendered to the City in connection with the sale of bonds, Acacia proposes to be compensated at a rate of \$0.85 per \$1,000 of par value issued, with a minimum fee of \$12,500 per issue.

2. Note Financings:

For financial advisory services rendered to the Township in connection with the sale of notes without an official statement or rating, Acacia proposes to be compensated a flat rate of \$1,500 plus \$0.50 per \$1,000 of par value with a maximum fee of \$5,000 per note issue.

For financial advisory services rendered to the Township in connection with the sale of notes with an official statement or credit rating, Acacia proposes to be compensated a flat rate of \$8,500 per note issue.

3. Official Statement Preparation:

If requested to compile the Preliminary Official Statement/Final Official Statement for bonds or notes, Acacia proposes to be compensated \$3,000 for such services.

4. Hourly Basis:

For general consulting services, Acacia proposes that compensation be based upon the hourly rate of \$185/hr.

5. Other Financings/Transactions:

For financings that include unique and/or complex financing structures or require additional services beyond our general scope, Acacia proposes that the fee for such transactions be negotiated in advance.

6. Expenses:

Acacia proposes to be reimbursed for the following reasonable expenses incurred in providing the services set forth herein at rates which are approved upon submission of appropriate invoices: travel, postage, overnight deliveries, and conference calls.